



MAY 28 2013

Ms. Stephanie Comai
Deputy Director
Department of Licensing and Regulatory Affairs
Ottawa Building – 4th Floor
611 West Ottawa Street
P.O. Box 30004
Lansing, MI 48909

Dear Deputy Director Comai:

I am writing in response to the January 10, 2013, letter from Director Steve Arwood requesting that two provisions of the Michigan short-time compensation (STC) law be considered appropriate for an STC program under Section 3306(v)(10) of the Federal Unemployment Tax Act (FUTA). These provisions limit participation in an STC plan to employers that: (1) have at least twelve consecutive quarters of experience in the state experience rating system and (2) have a positive reserve balance in the state experience rating system. In a January 14, 2013, letter, Stephen Gesky in your office for Policy and Compliance provided a rationale for why these provisions are appropriate for the Michigan STC program.

I am pleased to announce that we have completed our review of these provisions and, pursuant to Section 3306(v)(10), FUTA, Acting Secretary of Labor Seth D. Harris has approved these provisions as appropriate for an STC program. Michigan's STC law conforms to the definition of an STC program found in Section 3306(v), FUTA.

Please let us know if there is any further assistance we can provide Michigan in implementing its new STC program.

Sincerely,

Gay M. Gilbert
Administrator
Office of Unemployment Insurance

cc: Byron Zuidema
Regional Administrator
Chicago